

2002 POT CREEK DISTRIBUTION MEETING

The annual meeting for the Pot Creek Distribution System was held on February 5, 2002 in the Commission Chambers of the State/County Building. The meeting convened at 11:10 a.m. conducted by Lee Sim of the Utah Division of Water Rights.

The following people were in attendance at the meeting:

<u>Name</u>	<u>Representing</u>
Lee Sim	Utah Division of Water Rights - SLC
John Larsen	Utah Division of Water Rights - SLC
Robert W. Leake	Utah Division of Water Rights
Billie White	Utah Division of Water Rights
Bob Plaska	Colorado Division of Water Resources
Kathy Bower	Colorado Water Commissioner
Levi Smuin	Colorado Water User
Michael L. McCarrell	Pot Creek Water Commissioner
Walt Donaldson	Division of Wildlife Resources
Ed Johnson	Division of Wildlife Resources
Max Rasmussen	Utah Water User
Gale Rasmussen	Utah Water User

Lee Sim called the meeting to order and asked Billie White to read the minutes from the 2001 Annual Distribution Meeting. Levi Smuin made a motion that the minutes be approved as read and Gale Rasmussen seconded the motion. Motion carried. Kathy Bower was introduced as the new water commissioner replacing Jack Leonard.

Lee Sim presented the 2001 Financial Report. The balance to start 2002 is \$3,831.42 and there was one delinquent account. Walt Donaldson made the motion to accept the Financial Report as presented and Levi Smuin seconded the motion. Motion passed.

Mike McCarrell read his Commissioner's Report for 2001. Walt Donaldson stated that he is concerned about vandalism on the lock at Crouse because of the vandalism to the lock in August of last year. It was estimated that there was a loss of 30 to 40 acre feet of water due to the lock being broken and water released. Walt stated that he and Ed Johnson would go with Mike to see if it can be secured. It was noted that the Parshall flume had not been moved. Walt said he would get with Paul McCoy and take care of it. He also asked Bob Leake to accompany them. Also, the flume above Matt Warner has not been installed. Bob Leake pointed out that there would need to be a Stream Channel Alteration Permit approved to do the work. Gale Rasmussen motioned that the Commissioner's Report be accepted as read. Walt Donaldson seconded the motion and motion carried.

In reviewing the budget for 2002, Lee advised that there is a matter of vital importance to the Division of Water Right's ability to continue to administer its Commissioner and Distribution System Program.

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Earlier this year, the Governor issued a 4% budget holdback which essentially froze 4% of that portion of each division's budget that comes from general state revenues. Almost a hundred percent of the budget for the Division of Water Rights (excluding commissioner salaries and expenses and some federal dam safety funding) comes from general state revenues. More recently, the Governor issued another budget cut of 2%. We have been informed that these cuts plus an additional cut of about 1% will apply to next year's budget as well.

In the past, we have managed to absorb budget cuts and make adjustments to be able to continue administering the Commissioner and Distribution Program without cost to the water users on each system.

We recently did a study of Division staff time dedicated to distribution administration which includes calculating and preparing assessments; processing assessment payments; disbursing distribution funds; accounting; maintaining and updating distribution assessment accounts, etc. The study also included the cost of mailing notices and assessments. This effort supports over 2500 assessment accounts on 39 distribution systems. Our study revealed that this effort currently costs the Division approximately \$76,000 each year in manpower and resources. This is equivalent to 7.7% of the total of the budgets set by the distribution systems for 2001.

In view of the budget situation, we believe we have no choice but to begin assessing distribution systems to help cover these costs. Each distribution system will be assessed based on a percentage of the budget set at the annual meeting. The same percentage will be used for each distribution system. The assessment will be drafted by the Division from each distribution system's trust account sometime before the end of the state's fiscal year, June 30th. The Division will draft the very least amount necessary according to the budget situation; therefore, the amount actually drafted by the Division will be less than or equal to the percentage assessed.

The implementation of this assessment will begin in 2002 and will take place over a period of three years. Assuming that the budget for the Pot Creek Distribution System remains at \$4,750 as set for 2001, the dollar amount of the assessment for your system will be: 2002 @ 2.5% = \$119.00; 2003 @ 5.0% = \$238.00; and 2004 @ 7.5% = \$356.00. Next year, it will be added as a line item. Any further changes in the assessment percentage will be based on future evaluations of the Division's administration costs as described above.

Mike suggested that the \$2000 in Equipment Expense be left as is, only add \$119.00. This would make the total budget for 2002 at \$4,869.00. The delinquent account in the name of Kellie R. Penrod is believed to be a stockwatering right of \$10.00 per year with approximately five year's accumulation. No one seems to know Kellie Penrod or where this person may be contacted. Lee suggested that the account be dropped from the system. Max Rasmussen did not want to do this as he felt it would set a precedent. Levi Smuin made a motion to accept the budget as presented without dropping the Penrod account. Max Rasmussen seconded the motion and motion carried.

Lee Sim advised that the directors for last year were Walt Donaldson, Max Rasmussen and Levi Smuin. Mike made a motion to retain the present directors and Gale seconded. Motion passed.

Bob Plaska advised that the gauging station at the state line had not been operating for some time and he plans to get it to working so that Mike would have more information. Bob Plaska said the gauge is probably a USGS gauge and that no one has a key to lock it. Mike said that it would be good to have a Parshall flume, so that he could read it as he can't read the USGS gauges.

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Bob Plaska asked Walt Donaldson if the water right to Browns Park is being used. Walt stated that that it is a direct flow right and has been stored in Crouse for several years. Bob Leake stated that there had never been a change application filed to store the direct flow right. Bob Plaska asked that if it is not being used in Browns Park and no change application has been made, if the water should go on down to the Colorado users. Walt stated that a change application would be made as soon as possible to cover the storage of the direct flow right.

Meeting adjourned at 12:20 p.m.